

## **MINUTES**

### **MONTANA SENATE 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON EDUCATION AND CULTURAL RESOURCES**

**Call to Order:** By **VICE CHAIRMAN JACK WELLS**, on March 14, 2001 at 3:15 P.M., in Room 405 Capitol.

#### **ROLL CALL**

**Members Present:**

Sen. Bill Glaser, Chairman (R)  
Sen. Jack Wells, Vice Chairman (R)  
Sen. Dale Berry (R)  
Sen. John C. Bohlinger (R)  
Sen. Edward Butcher (R)  
Sen. John Cobb (R)  
Sen. Jon Ellingson (D)  
Sen. Jim Elliott (D)  
Sen. Sam Kitzenberg (R)  
Sen. Don Ryan (D)  
Sen. Debbie Shea (D)  
Sen. Mike Sprague (R)  
Sen. Mignon Waterman (D)

**Members Excused:** Sen. Alvin Ellis Jr. (R)

**Members Absent:** None.

**Staff Present:** Linda Ashworth, Committee Secretary  
Eddy McClure, Legislative Branch

**Please Note:** These are summary minutes. Testimony and discussion are paraphrased and condensed.

**Committee Business Summary:**

Hearing(s) & Date(s) Posted: SB 500, 3/10/2001; SB 499,  
3/10/2001

Executive Action:

#### **HEARING ON SB 500**

**Sponsor:** SEN. BILL GLASER, SD 8, Huntley

**Proponents:** Bob Vogel, Montana School Boards Association

**Dave Puyear, Montana Rural Education Association**

**Julie Mitchell, Self, Helena**

**Lynda Brannon, Montana Association of School  
Business Officials**

**Madalyn Quinlan, Office of Public Instruction**

**Dr. Richard Crofts, Commissioner of Higher  
Education**

**Loran Frazier, School Administrator of Montana**

**Sarah Cobler, Associated Students of the  
University of Montana, Missoula**

**REP. ROY BROWN, HD 14, Billings**

**Daniel Sybrant, Superintendent of Schools,  
Corvallis**

**Cathy Conover, Montana State University, Bozeman**

**Eric Feaver, Montana Education Association/Montana  
Federation of Teachers**

**Dustin Stewart, Associated Students Montana State  
University, Bozeman**

**Kira Kuntz, Associated Students Montana State  
University, Bozeman**

**Opponents:**       **SEN. JOHN COBB, SD 25, Augusta**  
                         **SEN. SAM KITZENBERG, SD 48, Glasgow**

**Opening Statement by Sponsor:**

**SEN. BILL GLASER** opened on SB 500. **SEN. GLASER** reported on the four parts of the bill. The first part would deal with conventional funding, which would deal with schedules for ANB and base entitlement, based on the formulas set in 1993.

Part two would deal with a small change in the decrements. The decrement would begin with the second child in the school and would be decreased from the current amount of 20 cents per child to 19 cents per child. It would decrease the high school decrement from 50 cents to 47.5 cents. **SEN. GLASER** hypothesized this decrease would solve the long term problems in larger schools. He contended this would be the only weak spot in the 1993 system, which could be subject to a court challenge.

Part three would provide a flexible method of distributing money when the legislature appropriates money outside of the K-12 schedule. **SEN. GLASER** cautioned the committee that significant changes would be made in the flex plan and the formulas would be based on a theory that had not yet been proven.

Part four of the bill would provide a method of providing money to the University System, through public and student input when the legislature decides to fund it in a non-traditional fashion.

The conventional schedules in the bill would meet the needs of contractual agreements between educators and the local school boards. An increase of 10 million dollars the first year and 20 million dollars the second year would address steps and lanes and would result in a 1.3% increase each year. The state's share would be approximately 19 million dollars. **SEN. GLASER** argued that amount would be the absolute minimum that the legislature could put into the schedule. He rationalized that children would suffer if the legislature failed to take care of the contract schedules.

**SEN. GLASER** asserted that most one-time funding, given to schools had strings attached. He indicated all schools and communities have different needs and should be allowed to make the decisions on how to spend the money. The bill would give schools options on the distribution of one-time funding. The money in the flex fund could be matched by a 25% local levy.

The last part of the bill would handle money to the University system. The universities would be required to receive input from the community and the students before distributing the money.

**SEN. GLASER** declared the heart of the bill would be the addition of the flex account and the account that would allow the legislature to better fund the university system. **SEN. GLASER** summarized the bill would allow significant change and he believed it would be important to deliberate very carefully and seek council from the education community and the university system.

*{Tape : 1; Side : A; Approx. Time Counter : 0 - 18}*

**Proponents' Testimony:**

**Bob Vogel, Montana School Boards Association**, rose in support of SB 500. He echoed **SEN. GLASER'S** statement that every school district in the state was different from others and the bill would set a foundation to build on. He stated he was encouraged by the bill and felt it would be a great framework to build something for public education in Montana.

**Dave Puyear, Montana Rural Education Association**, stood in support for SB 500. **Mr. Puyear** voiced concerns with the decrements mentioned by **SEN. GLASER** in his opening. He argued that large schools were not in a more difficult situation than

small and rural districts around the state of Montana. He reported that small communities have been cutting budgets long before the larger communities. Montana's educational funding system had always been weighted to recognize the added expenses that occur when providing quality educational programs in rural communities. He reminded the committee of the uniqueness of the state of Montana.

**Mr. Puyear** rationalized that a plan must be developed to attract teachers and administrators to rural Montana in order to maintain a quality education in those places. He debated that administrators in rural schools wear many hats, so consolidating administrators would not amount to great savings for rural school districts. He stated his belief that the current situation in Montana had do to with shortages and changes.

**Julie Mitchell, representing herself,** avowed support for SB 500.

**Ms. Mitchell** stated she was a school trustee for the Helena School District. She cited support for the effort behind SB 500 but introduced opposition to the one-time funding issue. She explained that school trustees are in the position of advocates for education, not to compromise the priorities of education.

**Ms. Mitchell** stated her concerns that the legislature would want to control the money once it was dispersed to the board of trustees instead of allowing local school boards the options of dispersing the money the way they saw fit. **Ms. Mitchell** argued it was the legislature's role to fund education while allowing the local board to determine the needs of the school community and distribute the money as it sees fit.

**Lynda Brannon, Montana Association of School Business Officials,** stood in cautious support of SB 500. She surmised the bill would offer additional flexibility for schools. The flex fund would allow districts to absorb increasing costs. Even though the bill would not be the best funding bill for schools, she felt it would give schools more additional funds with more discretion over their own dollars.

*{Tape : 1; Side : A; Approx. Time Counter : 18 - 32}*

**Madalyn Quinlan, Office of Public Instruction,** informed the committee that the State Superintendent of Public Instruction remains open to the bill. **Ms. Quinlan** debated the bill would create a district flexibility fund levy which would allow districts to raise money to match the money from the state. Many school districts in the state, with a minimal tax base, would need an excessive number of mills in order to raise 25% of the district's allocation from the state.

**Ms. Quinlan** mentioned technical concerns which would be offered as amendments to the bill. She asked for clarification whether the rolling average ANB would be for a period of four or five years.

**Dr. Richard Crofts, Commissioner of Higher Education**, asserted strong support for the university section of the bill. He suggested that he would present amendments for consideration which would calculate how the money would be distributed. He maintained that section 5 would provide advantages to the campuses that have large numbers of non-resident students. **Dr. Crofts** contended the bill would develop a mechanism that would help develop accountability.

**Loran Frazier, School Administrators of Montana**, thanked the sponsor for presenting a bill that would encourage the legislature to think outside the box. **Mr. Frazier** cited concerns with the funding source. He felt the flex plan would help K-6 programs in the state of Montana.

**Sarah Cobler, representing the Associated Students of the University of Montana**, strongly supported SB 500. She exclaimed that the sponsor of the bill had been listening to the concerns of the legislature and the education community and had developed an innovative approach. **Ms. Cobler** rationalized the bill would provide a vehicle of compromise that would put the education of students at the highest level. She maintained that tuition costs would rise 9-10% at present funding levels.

**REP. ROY BROWN, HD 14**, stated support for SB 500. He favored the bill because it would give flexibility to school funding when fluctuating ANB makes it difficult to maintain current funding.

**REP. BROWN** contended the bill would solve many of the problems facing schools.

**Daniel Sybrant, Superintendent of Corvallis Schools**, alleged the bill would allow his district to retain quality teaching staff. He encouraged the committee members to attend teaching fairs to observe the many graduating teachers that are applying for out of state positions.

**Cathy Conover, representing Montana State University**, enjoined that SB 500 would be an innovative approach to assessment and accountability.

**Eric Feaver, Montana Education Association/Montana Federation of Teachers**, indicated that he had never seen a bill that had addressed the funding issues of both K-12 and higher education at the same time. He enlarged on his concerns that the bill

contained no money. **Mr. Feaver** insisted that the money issue should be the focus of the bill.

**Dustin Stewart, representing the Associated Students of Montana State University**, maintained that SB 500 would have a long term impact on the students and the costs of education.

**Kira Kuntz, Student Body President at Montana State University**, avowed support for SB 500. She believed the bill would allow feedback from students and community members when determining the needs of the campus. As the needs grow and change, so would the priorities.

*{Tape : 1; Side : B; Approx. Time Counter : 0 - 16}*

**Opponents' Testimony:**

**SEN. JOHN COBB, SD 25**, rose in opposition to SB 500. He stated his belief that the committee should insert funding into the bill instead of waiting for the finance or taxation committees to make the decisions. He stated his concerns about the flex plan, stating that one time money would be a concern each time the legislature would meet.

**SEN. SAM KITZENBERG, SD 48**, argued that the bill would not adequately fund the university system. He also debated whether the bill would deal with the teacher shortage or the funding of raises for current teachers.

*{Tape : 1; Side : B; Approx. Time Counter : 16 - 21}*

**Informational Testimony:** None

**Questions from Committee Members and Responses:**

**SEN. MIGNON WATERMAN** stated her concerns with the lack of funding in the bill. She asked the sponsor to explain how much money was currently in the bill. **SEN. GLASER** responded that the schedule currently contained \$18,920,000.

**SEN. WATERMAN** asked where it was stated in the bill that the funding would be at that amount. **SEN. GLASER** reported the schedules determined the amount of money that would be distributed.

**SEN. WATERMAN** argued that the schedules were not in the bill. **SEN. GLASER** related that an appropriation could not be assigned to the bill.

**SEN. WATERMAN** stated her concerns that there was no funding in the bill and requested that the sponsor share his thoughts to the amount of funding that would be in the bill. **SEN. GLASER** indicated the schedules would be funded and the flexible fund would be funded at about 20 million dollars in the biennium. He explained there would be potential of 55 million dollars provided for schools. He apprized the committee that SB 70 contained the same scenario. He justified the flex fund by asserting that the legislature, commonly does one time money and he argued it should be flexible.

**SEN. WATERMAN** asked if the sources for the funding would be in place in the bill before the legislature would adjourn.

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**SEN. GLASER** reiterated that the legislature would need to provide creative funding for the first year and a half of the biennium, but could not leave before taking care of the contractual needs of state school districts.

**SEN. JOHN BOHLINGER** endorsed the ideas contained in SB 500. He mentioned several other bills that would raise revenue for the state of Montana and asked the sponsor to critique those bills as a source of school funding. **SEN. GLASER** analyzed both bills would possibly be offered as referendums.

**SEN. DON RYAN** contended that school districts were currently working on budgets for the next year. He questioned when districts would know how much money they would receive in the flex fund. **SEN. GLASER** enunciated that the current schedules were based on 30 million dollars. He hypothecated these funds would probably be there. He theorized that some kind of one time funding would also be available.

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**Closing by Sponsor:**

**SEN. GLASER** professed his hope that SB 500 would be examined closely by the committee. He maintained that something would have to be in good order by the end of next week or abandon the bill. **SEN. GLASER** submitted additional information regarding the flex account, **EXHIBIT**(eds58a01) and **EXHIBIT**(eds58a02).

*{Tape : 2; Side : A; Approx. Time Counter : 6 - 10}*

**Sponsor:** SEN. KEN MILLER, SD 11, Laurel

**Proponents:** Dustin Stewart, Associated Students for Montana  
State University  
Cathy Conover, Montana State University, Bozeman  
Kira Kuntz, Associated Students Montana State  
University, Bozeman  
Dr. Richard Crofts, Commissioner of Higher  
Education

**Opponents:** None

**Opening Statement by Sponsor:**

SEN. KEN MILLER testified that SB 499 would establish the Montana Opportunity Scholarship Program. Passage of the bill would authorize local governments to levy a tax to support the scholarship program.

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**Proponents' Testimony:**

Dustin Stewart, representing the Associated Students at Montana State University, rose in support of SB 499. Mr. Stewart submitted additional testimony on Montana financial aid, EXHIBIT(eds58a03) and information regarding earnings for graduates, EXHIBIT(eds58a04).

Cathy Conover, representing Montana State University, avowed support for SB 499.

Kira Kuntz, representing the Associated Students at Montana State University, vouched for the importance of SB 499.

Dr. Richard Crofts, Commissioner of Higher Education, testified SB 499 would allow the state of Montana to invest more money in the education of its college students. He listed various concerns about the ability of the bill to achieve the goals listed by the sponsor.

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*{Tape : 2; Side : B; Approx. Time Counter : 0 - 7}*

**Opponents' Testimony:** None

**Informational Testimony:** None



**Questions from Committee Members and Responses:**

**SEN. JIM ELLIOTT** wondered if the 100 million dollar debt in deferred maintenance backlog had been addressed in the appropriation's process. **Dr. Crofts** clarified the 100 million dollars was slightly understated. The university system proposals put the highest priority on preferred maintenance. He maintained that one of the major issues faced by the state of Montana would be a huge deferred maintenance problem and there was not a source to address those programs. **Rod Sunsted** commented that the entire cash program for all state agencies was currently between 6-7 million.

**SEN. ELLIOTT** indicated the legislature had not done anything to help lower the tuition costs of students. He queried how many students were discouraged from applying to state schools because they could not afford the costs of tuition. **Dr. Crofts** could not answer the question. He explained that many students take advantage of student loans and grants.

**SEN. ED BUTCHER** voiced concerns regarding the cost of deferred maintenance. He wondered why new buildings were being erected when the older ones had not been maintained. **Dr. Crofts** recounted that the majority of projects addressed deferred maintenance. He affirmed the new building projects were on campuses that were over-crowded.

**SEN. BUTCHER** asked if all the technical colleges were bursting at their seams. **Dr. Crofts** surmised that the Helena College of Technology had the largest capacity problems.

**SEN. BUTCHER** wondered if the new building projects were geared to the three main campuses. **Dr. Crofts** reported that the new building projects were at the Helena College of Technology, Implied Technology Center at Montana State University in Havre and the College of Technology at Billings.

**SEN. BUTCHER** surmised that the student growth was coming in the areas of technology. **Dr. Crofts** asserted that 2/3 of enrollment growth had been at the colleges of technology.

**SEN. BUTCHER** asked **Dr. Crofts** if the university system had looked at the career opportunities that would pay enough money to pay off student debt. **Dr. Crofts** reported that programs were evaluated and eliminated if they did not meet productivity standards. He reiterated that they try to make students aware of the cost of education. He debated whether it would be good public policy to force students into programs in order to make higher salaries.

**SEN. WATERMAN** surmised that SB 499 would be a referendum and would not require the Governor's signature.

*{Tape : 2; Side : B; Approx. Time Counter : 7 - 25}*

**Closing by Sponsor:**

**SEN. KEN MILLER** closed on SB 499. He restated his belief that communities that are home to college campuses benefit greatly.

**SEN. MILLER** submitted additional information, **EXHIBIT**(eds58a05).

*{Tape : 2; Side : B; Approx. Time Counter : 25 - 26}*

**ADJOURNMENT**

Adjournment: 5:15 P.M.

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SEN. BILL GLASER, Chairman

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LINDA ASHWORTH, Secretary

BG/LA

**EXHIBIT** (eds58aad)